

Energy Efficiency and Electric Infrastructure in the State of Rhode Island

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In any given state, there are a range of stakeholders well-positioned to contribute to the design and delivery of effective energy efficiency programming. This factsheet provides an overview of relevant entities in the state of Rhode Island, along with highlights of state policies and practices related to energy efficiency. The entity types described and highlighted below are typically involved in electricity and/or energy efficiency related matters in states. Other important stakeholders such as trade associations, industry, and local businesses are not included as they vary significantly from state to state.

Electric Market Overview

Electric Utilities

Privately- and publicly-owned electric utilities generate, transmit, distribute, and/or sell electricity primarily for use by the public. These include investor-owned electric utilities, municipal and state utilities, Federal electric utilities, and rural electric cooperatives.¹ The following summarizes electric utilities in Rhode Island by type:

- *Investor-Owned Electric Utilities:*
Block Island Power Company: <http://www.riema.ri.gov/>
Narragansett Electric Company (NGRID): <https://www1.nationalgridus.com/RhodeIsland>
- *Municipally-Owned/ Publicly-Owned Utilities:* Rhode Island has 1 municipally- or publicly-owned electric systems in the state²

Electric utility service areas (as available):

https://www.nationalgridus.com/non_html/shared_about_svcmap_neco.pdf

Status of Electric Industry Restructuring

Vertically integrated utilities are responsible for generation, transmission and distribution of power to customers. In the 1990's, many states began to unbundle the electricity supply and distribution functions of investor-owned utilities on the theory that only the wires (the fixed network system) constituted a natural monopoly, while the generation of power did not. In states that have undergone restructuring, individual retail customers can choose their supplier but still receive delivery over the power lines of the local utility.³

- Rhode Island has a restructured electric industry. http://www.eia.gov/electricity/policies/restructuring/rhode_island.html

¹ Source: EIA

² Sources: EIA 2013 Form EIA-861 Utility Data (<http://www.eia.gov/electricity/data/eia861/>), Rhode Island Public Utilities Commission and Division of Public Utilities and Carriers (<http://www.ripuc.ri.gov/utilityinfo/electric.html>), and American Council for and Energy-Efficient Economy (ACEEE) (<http://database.aceee.org/state/Rhode-island>)

³ Source: The Regulatory Assistance Project (RAP)

Regional Transmission Organization (RTO)/Independent System Operator(ISO)

About 60% of U.S. electric power supply is managed by RTOs or ISOs: independent, membership-based organizations that ensure reliability and usually manage the regional electric supply market for wholesale electric power. In the rest of the country, electricity systems are operated by individual utilities or utility holding companies. RTOs/ISOs engage in long-term planning that involves identifying effective, cost-efficient ways to ensure grid reliability and system-wide benefits. Coordination and cooperation between utilities, state PUCs and RTOs/ISOs is often required to advance energy efficiency goals.⁴

- Rhode Island is part of the New England ISO (ISO-NE): <http://www.iso-ne.com/>

Utility Oversight and Planning

Utility Oversight

Public utility commissions (PUCs) oversee goals, investments, and ratemaking for investor-owned electric utilities. Most of this oversight is conducted via specific regulatory proceedings. Municipally-owned utilities are governed by a local city council or an elected commission, and member-owned/cooperative utilities are governed by a board elected by members. In a few states, PUCs have oversight over some aspects of municipally and member-owned utility performance such as energy efficiency resource standards.⁵

- The Public Utilities Commission comprises two distinct regulatory bodies: a three-member Commission (Commission) and the Division of Public Utilities and Carriers (Division). Although two distinct regulatory bodies, the Commission and Division generally operate in concert. This is evidenced by the Division's status as an indispensable party in all Commission proceedings, and the Division's statutory charge to enforce all directives of the Commission. Both entities may conduct inquiries, investigations and hearings to effectuate their respective duties. Both may issue orders that have the force and effect of law. The Division is also legislatively required to maintain a website in accordance with RIGL section 39-1-18. The Division makes every effort to insure that this legislative mandate is carried out. <http://www.ripuc.org/>

Integrated Resource/Procurement Planning

Integrated resource plans (IRPs) are utility plans for meeting forecasted annual peak and energy demand through a portfolio of supply-side and demand-side resources over a specified future period. As of early 2015, integrated resource planning is required or present in more than 30 states, including most vertically integrated/non restructured states. In states that are restructured, regulated distribution-only utilities may be required to develop procurement plans to service customers that do not choose a competitive retail supplier. Energy efficiency is considered as a demand-side resource but the degree to which it is included in resource/procurement planning is influenced by other factors including policies such as energy efficiency resource standards or requirements that all cost effective energy efficiency be considered.⁶

- Block Island Power Company's most recent Integrated Resource Plan (IRP) 2012: <http://www.new-shoreham.com/docs/EnergyPlan-StateApproved.pdf>
- Narragansett Electric Company (NGRID)'s most recent IRP 2014: http://www.ripuc.org/eventsactions/docket/4451-EERMC-Memorandum_11-27-13.pdf

Statewide Planning Process

States sometimes undertake executive or legislatively driven statewide energy planning processes. These plans may be completely independent of utilities or may explicitly engage utilities.

- Rhode Island Energy Plan 2002: <http://www.naseo.org/stateenergyplans-state?State=RI>

Energy Efficiency Potential Studies

Energy efficiency potential studies determine the amount of technical, economic, and achievable potential for energy efficiency in a region, state, or utility service territory. Energy efficiency potential studies may be undertaken by state agencies or energy efficiency

⁴ Source: [EPA Energy and Environment Guide to Action](#)

⁵ Sources: [EPA Energy and Environment Guide to Action](#) and RAP

⁶ Source: [EPA Energy and Environment Guide to Action](#)

advocacy organizations, or by utilities as part of or to inform compliance with a regulatory requirement. The following are recent energy efficiency potential studies:

- From Potential to Action: How New England Can Save Energy, Cut Costs, and Create a Brighter Future with Energy Efficiency, NEEP 2010: http://www.neep.org/sites/default/files/resources/From%20Potential%20to%20Action_0.pdf
- The Rhode Island Energy Efficiency and Resource Management Council: Energy Efficiency Savings Targets 2015-2017: [http://www.ripuc.org/eventsactions/docket/4443-EERMC-EE-SavingsTargets\(9-17-13\).pdf](http://www.ripuc.org/eventsactions/docket/4443-EERMC-EE-SavingsTargets(9-17-13).pdf)

Energy Efficiency Policies/Activities

Statewide Clean Energy Policy/Energy Efficiency Energy Resource Standard(s)

Energy efficiency resource standards (EERSs) require obligated parties—usually regulated retail distributors of electricity—to meet a specific portion of their electricity demand through energy efficiency. As of March 2015, 27 states have some type of energy efficiency requirement or goal.⁷

- Rhode Island has a mandatory energy efficiency resource standard including an incremental target starting a 2.5% savings for electric and 1% for natural gas starting 2015: <http://aceee.org/sites/default/files/eers-04072015.pdf>.

Current Utility-Administered Energy Efficiency Programs

Energy efficiency is regarded as an important utility resource with co-benefits that include reducing air pollution, saving customers on utility bills, and creating local jobs. While the majority of large-scale energy efficiency programs are funded by utility ratepayers, program administration may be by the utility, the state, an independently awarded program administrator or a combination of entities. Below are available links related to ratepayer-funded energy efficiency programs offered in the state⁸:

- *Program Administrator:* Block Island Power Company:
Most recent program filing: http://www.ripuc.org/eventsactions/docket/4451-EERMC-Memorandum_11-27-13.pdf
- *Program Administrator:* Narragansett Electric Company (NGRID): <https://www1.nationalgridus.com/EnergyEfficiencyPrograms>
Most recent program filing: <http://www.ripuc.org/eventsactions/docket/4527page.html>
ENERGY STAR Partner since 2002
- *Program Administrator:* Pascoag Utility District:
Most recent program filing: [http://www.ripuc.org/eventsactions/docket/4534-Pascoag-2015_DSM_Filing\(11-17-14\).pdf](http://www.ripuc.org/eventsactions/docket/4534-Pascoag-2015_DSM_Filing(11-17-14).pdf)
ENERGY STAR Partner since 2006

Other Key Stakeholders

State Air Office:

- Department of Environmental Management: <http://www.dem.ri.gov/programs/benviron/air/>

State Energy Office:

- Office of Energy Resources: <http://www.energy.ri.gov/>

⁷ Ibid.

⁸ For other energy efficiency program offerings in the state, visit: <http://programs.dsireusa.org/system/program?state=RI>

Consumer Advocate(s)

Most states also have one or more consumer advocacy organizations. Consumer Advocates are often concerned with maintaining low rates and ensuring equitable treatment of all customer classes⁹.

- Rhode Island Office of Attorney General Public Utilities Regulatory Unit: <http://www.riag.ri.gov/CivilDivision/PublicUtilitiesRegulatoryUnit.php>

Others Public Interest Groups

Groups representing environmental and other public interests are often involved in providing public input or technical expertise during regulatory proceedings or stakeholder processes. The following energy efficiency organizations/nonprofits are active in the state or region:

- Energy Efficiency and Resource Management Council: <http://www.rieermc.ri.gov/>
- Northeast Energy Efficiency Partnerships (NEEP): <http://www.neep.org/>
- Regional Greenhouse Gas Initiative: <http://www.rggi.org/>

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* Revised December 21, 2015. To alert the U.S. EPA of substantial policy changes or program updates, please contact eeaccountmanager@icfi.com

⁹ Source: [EPA Energy and Environment Guide to Action](#)